

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 16909 01 OF 02 261813Z
ACTION EUR-12

INFO OCT-01 ISO-00 SSO-00 INRE-00 NSCE-00 ICAE-00
AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-10 FRB-03
INR-10 IO-13 NEA-11 NSAE-00 OPIC-03 SP-02 TRSE-00
LAB-04 SIL-01 AGRE-00 OMB-01 SS-15 XMB-02 /102 W
-----127913 261836Z /47

O 261758Z MAY 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC IMMEDIATE 2205

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 16909

USOECD

E.O. 11652: N/A
TAGS: OECD, ECON
SUBJECT: OECD MINISTERIAL: HEADS OF DELEGATION DIS-
CUSSION OF C(78)94 ON CONCERTED ACTION

REF: STATE 132647

1. SUBJECT PAPER RECEIVED HIGH PRAISE FROM ALL
DELEGATIONS THAT PARTICIPATED, WITH MANY CALLING IT THE
BEST MINISTERIAL PAPER PRODUCED BY THE SECRETARIAT IN
MANY YEARS. THERE WERE, OF COURSE, AS OUTLINED BELOW,
SOME SPECIFIC POINTS, INCLUDING THOSE MADE BY THE U.S.
(REFTEL). MOST DELEGATES FELT A SUBSTANTIVE DISCUSSION
WAS BETTER HELD IN THE ECONOMIC POLICY COMMITTEE AND
THAT FINAL CONSIDERATION OF THE PAPER SHOULD BE
DELAYED UNTIL NEXT WEEK'S EPC MEETING. THEY DID,
HOWEVER, RECOGNIZE THAT THIS WAS, AS ONE DELEGATE
CALLED IT, AN UMBRELLA PAPER WHICH WOULD SET THE
TONE AND FRAMEWORK FOR THE ENTIRE MINISTERIAL MEETING,
ALTHOUGH THE CONCERTED ACTION PROGRAM PROPOSAL FOR
GROWTH WAS A KEY ELEMENT. SEVERAL DELEGATES COMMENTED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 16909 01 OF 02 261813Z

ON THE DESCRIPTION IN THE PAPER OF AN UNSATISFACTORY
ECONOMIC SITUATION WHICH HELD GRAINS OF HOPE FOR
IMPROVEMENT IN THE NEAR FUTURE.

2. AMBASSADOR MADE A BRIEF STATEMENT HIGHLIGHTING
THE QUESTIONS OF:

A) SPECIFICITY PER PARA 2 REFTEL;

B) THE INTERNATIONAL MONETARY SYSTEM AND RELATED
ECONOMIC POLICY PER PARAS 5, 7, 8 AND 11 REFTEL; AND

C) THE NEED FOR SELF-SUSTAINED GROWTH PER
PARA 6 REFTEL. AMBASSADOR ALSO SUBMITTED WRITTEN
COMMENTS DRAWN DIRECTLY FROM ALL POINTS MADE REFTEL.

3. JAPANESE AMBASSADOR, EVIDENTLY SPEAKING ON
INSTRUCTIONS, ARGUED THAT THE PAPER DID NOT CLEARLY
IDENTIFY ISSUES AND WOULD LEAD TO A DISPERSED DISCUSSION
BY MINISTERS. HE SEEMED TO IMPLY THAT THE PAPER SHOULD
BE RESTRICTED TO A FEW KEY POINTS, BUT FURTHER DIS-
CUSSION REVEALED THAT HE WAS LOOKING FOR MORE
SHARPLY-FOCUSED ISSUES FOR DISCUSSION, NOT REDUCTION OF
CONTENT.

4. THE DANISH AND BELGIAN PERMREPS SUGGESTED THAT
THE POSITIVE ADJUSTMENT SECTION OF THIS PAPER BE
ENLARGED, PERMITTING THE SCRAPPING OF PAPER C(78)95.
NUMEROUS OTHER DELS WELCOMED SOME ELABORATION ON
POSITIVE ADJUSTMENT IN C(78)94, BUT FELT STRONGLY THAT
C(78)95 SHOULD BE RETAINED IN THE DOCUMENTATION FOR
THE MINISTERIAL.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 16909 01 OF 02 261813Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 16909 02 OF 02 261823Z
ACTION EUR-12

INFO OCT-01 ISO-00 SSO-00 INRE-00 NSCE-00 ICAE-00
AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-10 FRB-03
INR-10 IO-13 NEA-11 NSAE-00 OPIC-03 SP-02 TRSE-00
LAB-04 SIL-01 AGRE-00 OMB-01 SS-15 XMB-02 /102 W
-----128048 261836Z /47

O 261758Z MAY 78
FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 2206

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 16909

USOECD

5. TWO OTHER POINTS OF NOTE: THE AUSTRALIAN AMBASSADOR ARGUED THAT, IN THE CONTEXT OF CONCERTED ACTION, MINISTERS SHOULD PUBLICLY STATE THAT GOVERNMENTS CANNOT SOLVE ALL THE PROBLEMS, AND THEREFORE CONCERTED ACTION IS ALSO REQUIRED BY ALL ELEMENTS OF SOCIETY. THIS WAS CLEARLY ANOTHER WAY OF PUTTING PERENNIAL AUSTRALIAN POINT ABOUT WAGE/PROFIT IMBALANCE. THE FRENCH AMBASSADOR, PARTIALLY IN RESPONSE TO THE U.S., WELCOMED THE SECRETARIAT'S EXPANDED TREATMENT OF MONETARY QUESTIONS IN THIS PAPER.

6. THE SECRETARY-GENERAL AGREED THAT THE MAJOR SUBSTANTIVE DISCUSSION OF THE POINTS IN C(78)94 WOULD COME UNDER THE PURVIEW OF EPC, BUT FELT THE DISCUSSION HAD BEEN USEFUL. HE RESPONDED SPECIFICALLY ON THE U.S. SUGGESTION THAT THE ANNEX BE DROPPED. HE MADE FOUR POINTS IN THIS REGARD:

A) THE ANNEX IS SIMPLY AN ATTACHMENT TO A SECRETARIAT PAPER AND IS NOT IN ANY WAY BEING PRESENTED TO MINISTERS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 16909 02 OF 02 261823Z

FOR ENDORSEMENT OR DECISION.

B) THE ANNEX DOES NOT GIVE GROWTH TARGETS BUT INSTEAD ILLUSTRATIVE MAGNITUDES OF DOMESTIC DEMAND STIMULI WHICH ARE "UNDER THE CONTROL OF GOVERNMENTS".

C) ECONOMISTS NEED TO QUANTIFY TO UNDERSTAND A PROBLEM, AND IT WAS THEREFORE NATURAL THAT THE SECRETARIAT WOULD ISSUE A QUANTIFIED PRESENTATION OF CONCERTED ACTION, AND

D) INDIVIDUAL GROWTH TARGETS AND POLICY MEASURES ARE MEANINGLESS IN ISOLATION AND THE ANNEX GIVES THE CONTEXT. FAY ADDED THAT AN ADVANTAGE OF THE ANNEX IS THAT IT SHOWS JUST HOW MINIMAL THE SUGGESTED ACTIONS ARE, A CONCEPT WHICH IS HARD TO DESCRIBE IN WORDS.

7. THE OTHER POINTS RAISED BY VARIOUS DELEGATIONS WERE TAKEN UNDER REFLECTION.
SALZMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSTRUCTIONS, MEETING AGENDA, POLICIES, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PARIS16909
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780223-0568
Format: TEL
From: PARIS USOECD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780514/aaaaalku.tel
Line Count: 170
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f0d5b695-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 132647
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2549746
Secure: OPEN
Status: NATIVE
Subject: OECD MINISTERIAL: HEADS OF DELEGATION DIS- CUSSION OF C(78)94 ON CONCERTED ACTION
TAGS: ECON, US, OECD
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f0d5b695-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014